

**Title: CLASS Act**  
**Sections: 8001 and 8002**  
**Mandatory**

**Overview:**

The Community Living Assistance Services and Support (CLASS) Act is a federally administered, consumer-financed insurance plan, becoming law when the Patient Protection and Affordable Care Act (ACA) was signed on March 23, 2010. The CLASS Act hence is an integral part of federal health care reform. Sections 8001 and 8002 of the ACA establish a national voluntary insurance program for purchasing community living assistance services and supports in order to:

- provide individuals with functional limitations with tools that will allow them to maintain their personal and financial independence and live in the community through a new financing strategy for community living assistance services and supports;
- establish an infrastructure that will help address the Nation's community living assistance services and supports needs;
- alleviate burdens on family caregivers; and
- address institutional bias by providing a financing mechanism that supports personal choice and independence to live in the community.

The legislation amends Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)), as amended by subsection (a) (2), requiring states to provide "assurance of adequate infrastructure for the provision of Personal Care Attendant workers."

At the Division of Health Care Financing and Policy's (DHCFP) request, Public Consulting Group (PCG) reviewed the statutory requirements of the CLASS Act, focusing primarily on the potential impact of the CLASS Act on the State's Medicaid program over the 2012 and 2013 fiscal years. PCG noted the requirement that in order to be compliant with the CLASS Act, states must perform the following activities by March 23, 2012:

- Determine whether existing community and home health service providers or nonprofits are serving or have the capacity to serve as fiscal agents for, employers of, or providers of employment-related benefits for personal care attendants for CLASS Act beneficiaries; and

- Designate or, if necessary, create such entities without negatively affecting the existing administration of consumer-controlled or self-directed home and community-based health services.

**Targeted Population:** Community and home health service providers will be surveyed to determine fiscal agent service provision or capacities for fiscal agent services.

**Fiscal Impact:** Premiums are paid through a payroll deduction from wages or self-employment income. For the unemployed or those whose employers elect not to make the deduction, the national Department of Health and Human Services will devise a method of premium payment.

State of Nevada costs are related to the mandatory survey requirement. DHCFP's biennial budget proposal for SFY 12 – 13 included a cost of \$50,000 to contract with an experienced entity to carry out the survey of community and home health service providers.

**Applicability to Nevada:** The provisions of the CLASS Act described above are mandatory. Documentation of the existing infrastructure and any recommendations for necessary improvement will benefit Medicaid recipients served by community and home health service providers.